

DONOR GRANT AGREEMENT
to help support
A Program for the Study of Political Economy and Free Enterprise
and a Program for Excellence in Economic Education
within the FSU College of Social Sciences

THIS DONOR GRANT AGREEMENT (hereinafter the "Agreement") is made effective this 15th day of January, 2009 (the "Effective Date") by and among the CHARLES G. KOCH CHARITABLE FOUNDATION, a Kansas non-profit corporation (hereinafter the "Donor"), the FLORIDA STATE UNIVERSITY BOARD OF TRUSTEES, a public body corporate of the State of Florida, for and on behalf of The Florida State University, including its College of Social Sciences, located at 1 College Ave., Westcott Hall, Tallahassee, FL 32306 (hereinafter the "University") and the FLORIDA STATE UNIVERSITY FOUNDATION, INC., a direct support organization of The Florida State University and a Florida nonprofit corporation located at 2010 Levy Ave. Building B, Suite 300 Tallahassee, FL 32306 (hereinafter the "Donee"). Donee, Donor and the University are sometimes referred to herein individually as a "Party" and collectively as the "Parties".

I. Introduction

The Donor wishes to support the above mentioned initiatives within the College of Social Sciences that are described in a Memorandum of Understanding (the "MOU") dated June 3, 2008 by and among the Parties. Capitalized terms not otherwise defined in this Agreement are as set forth in the MOU.

The MOU sets forth the understanding by and among the Parties with respect to establishing and supporting Affiliated Programs and Positions that advance and expand the Objectives and Purposes set forth in section I(a) of the MOU. The Donor desires to contribute funds to support specified Affiliated Programs and Positions as described in the MOU and more particularly within this Agreement.

NOW, THEREFORE, the Parties agree to the following:

II. Contribution and Purpose

Donor agrees to contribute to the Affiliated Programs and Positions identified immediately below the amounts set forth in Section III:

SPEEF Program and Position

**Maximum Amount to be Paid by Donor
in Accordance with Section III**

| | |
|---|-------------|
| Advanced and Assistant Professorship Positions (the "Professorship Positions") | \$1,500,000 |
|---|-------------|

The amounts to be contributed by the Donor shall be made in such amounts and at such times as set forth in Section III below. In no event shall the aggregate amount to be paid by Donor exceed \$1,500,000.

The amounts contributed by Donor pursuant to this Agreement and all earnings derived therefrom (collectively referred to as the "Contributed Amount") will be used to help establish and support the **Program for the Study of Political Economy and Free Enterprise (SPEFE) and a Program for Excellence in Economic Education (EEE)** within the FSU College of Social Sciences, as more particularly described in the MOU. Specifically, the Contributed Amount will be used solely for the purpose of paying the salary and fringe benefits for six years for Professorship Positions to be hired by the Economics Department within the College of Social Sciences in accordance with the procedures set forth in the MOU. Donee agrees to establish a segregated and restricted fund on its books and records called "Program for the Study of Political Economy and Free Enterprise and a Program for Excellence in Economic Education Fund" to which all contributions made pursuant to this Agreement will be made (and all earnings from the contributions deposited).

III. Schedule and Form of Contribution

Donor agrees to make contributions to the Donee, and the Donee agrees to accept the amounts contributed on behalf of FSU according to the following schedule, subject to the procedures set forth below:

Up to \$250,000 on or before June 30, 2009
Up to \$250,000 on or before June 30, 2010
Up to \$250,000 on or before June 30, 2011
Up to \$250,000 on or before June 30, 2012
Up to \$250,000 on or before June 30, 2013
Up to \$250,000 on or before June 30, 2014

On or before April 1st of each year set forth above, Donee shall submit a written proposal to Donor for Donor's approval (referred to as the "Donee Proposal") of the projected expenses for the Professorship Positions expected to be hired by the Economics Department within the College of Social Sciences. The Donor may in its discretion accelerate payments of any installment of the contribution. In the event that Professorship Positions are not filled in accordance with the Donee Proposal for the 2009-2010 academic year, the above schedule will shift by one additional year so that the first date listed will be June 30, 2010 and the last date listed will be June 30, 2015. (A

similar process will govern the contribution schedule if the position is not filled for any subsequent year in accordance with the Donee Proposal and the Donor, in its sole and absolute discretion, shall not be obligated to contribute any amount if no Professorship Positions are filled by June 30, 2010).

IV. Recognition

The Donor shall receive appropriate recognition for its contribution from the FSU College of Social Sciences through press release, donor listings and features in its publications (both print and Internet). The Donor shall also be recognized and acknowledged in accordance with the policies of the Donee as a member of the Francis Eppes Society of the FSU Presidents Club.

V. Administration and Miscellaneous

A. Without limiting each Party's obligations under the MOU, the Board of Trustees of the Donee, through its Investment Committee, shall deposit and invest the contribution in accordance with the Donee's investment policy subject to the terms herein.

B. The Dean of the College of Social Sciences shall be responsible for the administration of the Contributed Amount in accordance with this Agreement and the MOU.

C. Modifications, alternations or amendments to this Agreement may be requested by the Parties, as needed, to meet the expressed intent of the contribution. Any proposed modifications, alternations or amendments must be in writing and agreed to by all Parties to this Agreement.

D. In the event that the Contributed Amount cannot be used as provided for in this Agreement or the circumstances have changed sufficiently to make it impractical to continue using the amounts contributed for the purposes described herein, the unexpended Contributed Amount may be used for another purpose consistent with and subject to this Agreement and the MOU, provided the Donor approves such other use(s) in writing. If the Donor fails to approve such other use, Donee and University agree to return the unexpended Contributed Amount to the Donor and Donor shall have no further obligations under this Agreement or the MOU.

E. The Parties acknowledge that they have read and are familiar with the provisions of the MOU and agree to be bound by and subject to all of its provisions. Capitalized terms not otherwise defined in this Agreement are as set forth in the MOU.

F. This Agreement may be executed in several counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement or direction. Copies of signatures (whether facsimile or other electronic

transmission) to this Agreement shall be deemed to be originals and may be relied upon to the same extent as the originals.

G. This Agreement and the MOU set forth the entire understanding of the Parties relating to the subject matter hereof and supersede all prior agreements and understandings among or between any of the Parties relating to the subject matter hereof. Except as set forth herein, the subject matter of the provisions of this Agreement is subject to the terms and conditions of the MOU.

H. The Parties agree and acknowledge that, if not for the Donor's contributions to be made pursuant to this Agreement, FSU would not otherwise undertake to hire individuals to hold such Professorship Positions set forth in this Agreement and the MOU nor implement the programs mentioned in both documents. Notwithstanding the foregoing, the Parties agree and acknowledge that the funding commitment made by the Donor under this Agreement is subject to the satisfaction of the terms and conditions set forth in this Agreement and the MOU and that the breach, whether caused by Donee or University, of any commitment, agreement, obligation, covenant, representation or warranty, made or required under the MOU or this Agreement shall give the Donor the ability to terminate this Agreement. Such termination shall be deemed effective upon the expiration of said fifteen (15) days from the date notice was provided by Donor to Donee and University, if Donee and/or University have not therefore corrected the events of default or performed the acts described in the notice. During the pendency of this 15-day period, the Donor will not be obligated to contribute any funds pursuant to this Agreement and Donee will suspend any further payments pending the corrective action by the Donee and/or University. In the event of termination of this Agreement, Donor shall have the right to require that all unexpended Contributed Amounts be returned to Donor.

I. Donee represents and warrants that it is a public charity within the meaning of Section 509(a)(1) and 170(b)(1)(A)(iv) of the Internal Revenue Code ("Code") and agrees to immediately notify Donor if such tax status changes. If Donee's tax status changes, Donor shall not be obligated to make any additional contributions unless it obtains an opinion from legal counsel that making such additional contributions does not adversely affect Donor's 501(c)(3) status or result in an excise tax under Chapter 42 of the Code.

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IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the date first written above.

DONOR:

**CHARLES G. KOCH CHARITABLE
FOUNDATION**

By: Richard H. Fink
Name: Richard H. Fink
Title: President
Date: 1-15-09

**THE FLORIDA STATE UNIVERSITY
BOARD OF TRUSTEES for & on behalf of
THE FLORIDA STATE UNIVERSITY**

By: [Signature]
Name: T. K. Yetherell
Title: President
Date: 1-28-09

**THE FLORIDA STATE UNIVERSITY
OFFICE OF THE PROVOST AND
EXECUTIVE VICE PRESIDENT FOR
ACADEMIC AFFAIRS**

By: Laurence G. Abele
Name: Lawrence G. Abele
Title: Provost and Executive Vice
President for Academic Affairs
Date: 2-2-09

**THE FLORIDA STATE UNIVERSITY
COLLEGE OF SOCIAL SCIENCES**

By: [Signature]
Name: David W. Rasmussen
Title: Dean
Date: 1-23-09

**THE FLORIDA STATE UNIVERSITY
FOUNDATION, INC.**

By: [Signature]
Name: Charles Rasberry
Title: President
Date: 1/24/09